# Agenda
# Yutan City Council
# Tuesday, August 11th, 2026
# 6:00 P.M. – Yutan City Hall
# 112 Vine St, Yutan NE 68073

The mayor and city council reserve the right to enter into a closed session per Section 84-1410 of Nebraska State law. The sequencing of agenda items is provided as a courtesy; the mayor and city council reserve the right to address each item in any sequence they see fit.

6:00 Meeting to Order
- Statement from the Mayor Regarding the Posted Location of Open Meetings Act
- Statement from the Mayor Regarding the Meeting Code of Conduct
- Roll Call
- Pledge of Allegiance

**1) Zoning Board of Adjustment**

a. Motion and Vote to convene as the Zoning Board of Adjustment for Consideration of:
   - i. Thompson & Sons Variance Request, previously tabled by the Board on July 21, 2026.
     1. Staff Reporting
     2. Applicant Discussion
     3. Adjacent Property Owner Comment
     4. Final Action:
        - a. Adopt Findings of Fact (if possible), and
        - b. Vote to approve, deny, table, or not act.

b. Motion and vote to adjourn as the Zoning Board of Adjustment and continue to Council Agenda.

**2) Action Items**

a. Sales Tax and Resolution

**3) Discussion Items**

a. Budget Workshop for the 2026-2027 Fiscal Year- On Income Items
b. Scheduling of Third Budget Hearing

**Meeting Adjourned**

**NEXT MEETING DATES**
**Library Board Meeting - September 7th, 2026, 6:30 PM**
**Planning Commission - September 8th, 2026, 7:00 PM**
**Third Budget Workshop - TBD**
**City Council Meeting - August 18th, 2026, 7:00 PM**

Anyone desiring to speak before the mayor and city council should contact the city clerk by the Monday preceding the city council meeting by 4:00 p.m. Anyone desiring to speak on any item on the agenda is invited to do so but should limit himself/herself to 3 minutes. After being recognized by the mayor, give your name and address for the record. Anyone desiring to speak for a longer period of time should make arrangements with the city clerk prior to the meeting. All speakers shall address the mayor and city council only. Anyone attending the meeting that may require auxiliary aid or service should contact the city clerk in advance.

# COVER MEMO
# THOMPSON & SONS VARIANCE REQUEST

| | |
|---|---|
| FROM: | Robert Costa, Community Planner (*Zoning Administrator*) |
| TO: | Zoning Board of Adjustment |
| DATE: | July 16, 2026 – UPDATED AUGUST 6, 2026 |
| SUBJECT: | Thompson & Sons Variance Request |

**UPDATE:** After conducting the July 21st hearing and duly considering this request, the Board unanimously voted to table the item for consideration at 6pm on August 11, 2026. As of this update, the City has not received additional information from the applicant/landowner.

The landowners of the lot located at 510 First Street propose to develop a commercial structure that requires variance approval in order to comply with the Yutan Community's Zoning Code. The full staff report for this agenda item follows this memo.

The "**INTRODUCTION**" section on pages 1-2 provides more detail about the proposed construction and the general character of this neighborhood, while the "**BACKGROUND & HISTORY**" section on page 2 provides a timeline for the subject property's specific creation and zoning history.

On pages 3-4, staff has included a "**ZONING REVIEW**" of the proposed construction. With exception to the setback, the proposal appears to mostly comply with the code. There are several items here that you will want to review in detail while you consider the applicant's variance request.

An "**ANALYSIS OF THE REQUIRED CRITERIA**" for granting a variance begins on page 3; in order to approve the variance, supporting findings of fact based on the code-required criteria ***must*** be made. Staff's analysis lists the review criteria and then poses questions for your consideration. Please review the analysis, staff's posed questions, and then decide for yourself. As noted in the "**ZONING REVIEW**" section, any approval granted by the board should consider attaching conditions of approval to ensure that impacts to the adjacent dwelling are properly mitigated.

> *A quick note about whether it would be more appropriate to amend the code rather than grant the variance*: A setback to prevent impacts between residential and commercial development is important, but requiring the same 25-foot setback buffer that is prescribed for intense industrial and highway-commercial uses may be impractical in a mixed-use area such as Yutan's community business district. Long-term alternatives to the 25-foot setback may be appropriate in the B-CBD, since mixed uses seem to exist harmoniously here with minimal impacts. (This will be considered during our one-year review zoning of the code.)

Finally, the section discussing the hearing procedure and final action notes are on the last page (5) of the report. Review this carefully, as it lays out the legal guidelines and path dictated by local and state law for this agenda item.

**STAFF REPORT**
**THOMPSON & SONS VARIANCE REQUEST**
**COMMUNITY BUSINESS ZONING DISTRICT**
**JULY 16, 2026 – UPDATED AUGUST 6, 2026**

| | |
|---|---|
| **OWNERS:** | Thompson & Sons, LLC |
| **APPLICANT/AGENT:** | Jake Thompson |
| **REQUEST:** | Variance to reduce a required 25-foot setback to 10 feet. |
| **PROPERTY ADDRESS:** | 510 First Street |
| **LEGAL DESCRIPTION:** | Tract 4 in the SW1/4 NE1/4 of Section 27, T15N, R9E, further described as Parcel 1 on Plat Instrument 138 (Book 8, Page 176). |
| **ZONING DISTRICT:** | Community Business Zoning District (B-CBD) |
| **APPLICABLE LAW:** | Yutan Community's Zoning Code (Ord. #816), Adopted Building Codes of Yutan, Nebraska Revised Statutes, and all applicable case law. |
| **ADJACENT NOTICE:** | July 8, 2026 (by regular mail) |
| **LEGAL NOTICE:** | July 10, 2026 (Omaha World-Herald) |
| **BOARD HEARING:** | July 21, 2026 @ 7pm – tabled for consideration at 6pm on 8/11/26. |

**ATTACHMENTS**

- ATTACHMENT 1: Vicinity Map
- ATTACHMENT 2: Applicant's Submittal
- ATTACHMENT 3: Saunders County gWorks (excerpt)
- ATTACHMENT 4: Written Public Comment

The City Council, in its authority under Chapter 2, Article 3, of the Yutan Municipal Code, is scheduled to convene as the Zoning Board of Adjustment to consider the variance request described above. Pursuant to the Yutan Community's Zoning Code and pertinent state law, legal notice of the item('s original 7/21/26 hearing date) was posted in the Omaha World-Herald (as confirmed by the affidavit filed in the record) and mailed to the registered owners of land immediately adjacent to the subject property. Courtesy notice was also posted online and in the city office, bank, and post office. Prior to the July 21st hearing, written comment from the owners of land immediately north of the subject property was received and transmitted to the board (included as an attachment to this report); no additional written comment has been received as of 8/6/26.

## INTRODUCTION

The subject property ("Parcel 1") is a ±0.38-acre (±16,552-square-foot) lot located at 510 First Street within city limits. The lot was previously developed with a single-family residence and has approximately 85 feet of frontage (or "lot width") along First Street. Lots within the immediate vicinity support a variety of development and uses, including a light-industrial business, railroad right-of-way, Yutan Elementary, mixed residential, and the central business district (post office, library, multi-family residential, Vine Street businesses, etc.).

The lot is located within the Community Business Zoning District (B-CBD) and directly abuts the Western Residential Zoning District (R-WEST) along its northern boundary. Strict application of the zoning code would require all structural development on the lot to be located 25 feet from the northern property line. The code-required buffer is intended to mitigate impacts between commercial and residential uses.

The applicant proposes the construction of a new commercial structure on the lot, measuring approximately 70 feet in width and 100 feet in length (see Attachment 2). To accommodate it, the applicant requests to reduce the 25-foot setback so that the proposed structure would be located 10 feet from the northern boundary, a 15-foot reduction; the proposed development is setback five feet from the southern boundary (staff's assumption is to avoid disturbing a ground-level change in that area). If the zoning code was strictly applied, the property could be compliantly developed with a commercial structure measuring 55-60 feet in width.

**BACKGROUND & HISTORY**

- In October 2024, the landowners applied for and received conditional approval for an administrative 3-lot split of the original 3.41-acre property. The administrative plat was properly filed with Saunders County on February 13, 2025.
    - Despite being filed, the Saunders County Assessor did not formally split the lot in its tax records. This is currently reflected in the County's gWorks GIS mapping, which shows the property as one 3.41-acre lot (see Attachment 3).
- Subsequently, a zone change was approved by the City Council in February 2025 that modified the City's Official Zoning Map to keep the subject property (Parcel 1) within residential zoning but located the other two (Parcels 2 & 3) in a commercial zone.
- When the City considered zoning revision in October & November of 2025, the ordinance readings included city staff's draft maps that reflected the applicant's original intention: Parcels 2 & 3 remained in a commercial zone and Parcel 1 remained in a residential zone.
    - When staff's draft maps were turned into shapefiles (digital mapping data) by JEO, the County's parcel data still reflected the 3.41-acre lot, which JEO was unaware had been split and did not see the nuance of staff's draft map. Thus, the third reading – which officially considered and adopted JEO's map – resulted in all three lots zoned as B-CBD with no residential zoning designation, despite the landowner's original intention and staff's proposal.
- In spring 2026, Parcel 1's previously-existing dwelling was destroyed by a fire.

**ZONING REVIEW**

With exception of the requirement for setbacks adjacent to residential zones, the proposal generally complies with the zoning code. The following items pertain to the proposed development's overall compliance:

1. ***Administrative Classification of Proposed Use:*** Under the authority described in Section 1.f.vii of the zoning code, the zoning administrator has reviewed the proposed use of a "contractor bay with office and/or sales showroom" in comparison to the other uses permitted in this zone and has found it to resemble the intensity and character of those uses. Therefore, the zoning administrator has administratively classified a contractor bay with office and/or sales showroom to be permitted within the Community Business Zoning District.
2. ***Landscaping:*** The provisions of Section 2.o.iii of the code apply to the proposed development. Because this commercial development is immediately adjacent to a residential district, the formal permit application should include the required landscaping activities; the board may wish to consider attaching a *condition* addressing landscaping requirements if the variance request is granted.
3. ***Screening:*** If the board elects to approve the variance and grant a reduced setback between the commercial structure and the adjacent residential zone, zoning still requires the proposed development to provide adequate screening within the setback. Staff's understanding is that the existing fencing and landscaping that currently exists is located on the adjacent residential property. If variance approval is granted, staff suggests a *condition* be attached requiring separate screening on the subject property to ensure the spirit and intent of screening requirements is achieved.
4. ***Building Height:*** To minimize the visual impacts on the adjacent dwelling, staff strongly advises the board impose a strict cap on the overall height of the building. The conceptual drawings note an 18-foot sidewall height, however, the pitched-roof design will result in a taller peak height (see Attachment 2). The board is encouraged to discuss the total height of the proposed structure with the applicant and, if the variance is granted, *condition* variance approval on the applicant's specific, proposed total height.
5. ***Stormwater Runoff:*** Section 2.l of the zoning code requires new structures and impervious surfaces to manage stormwater runoff without causing damage or harm to the natural environment, water quality, and adjacent property. The applicant will be required to demonstrate adequate stormwater management – especially considering the applicant's request to build closer to adjacent residential property – upon submittal of the building permit application. The board may wish to consider a *condition* addressing the stormwater management requirements if the variance is granted.

**ANALYSIS OF THE REQUIRED CRITERIA**

The Zoning Board of Adjustment is required to examine the facts pertaining to the request and make findings of fact according to the variance review criteria as described in Section 1.g.iv of the Yutan Community's Zoning Code. If the findings adopted by the board support granting approval of the variance request, then the board may vote to do so. Alternatively, if the board cannot make agreed-upon findings of fact in support of the variance, then the request has no basis for approval. The variance review criteria are listed below, followed by questions and considerations posed by staff for the board's consideration:

- The strict application of the zoning code would produce undue hardship.
  - Does strict enforcement of the 25-foot setback prevent a reasonable, beneficial commercial use of the lot? Does the applicant's request for a 70-foot wide building

envelope allow for the construction of a standard, functional commercial structure appropriate for the B-CBD zoning district?

- The hardship is unique to the subject property and not shared by other properties within the vicinity of the subject property and the overall zoning district.
  - What characteristics distinguish the subject property from other commercial lots in the same zoning district? Does it development history and regulatory application play a role in the applicant's hardship?
  - How do the physical features of the lot impact the applicant's ability to provide the required setback ***and*** reasonably use the property? Can the proposed lot layout and/or building design be modified to provide more than ten feet of separation and/or resolve the stated hardship?
- Granting the variance would not be to the substantial detriment of adjacent property and will not change the character of the district.
  - How will reducing the buffer from 25 feet to 10 feet affect the adjacent residential property? Are the benefits of mandatory screening between the two zones retained, reduced, or improved by allowing a 10-foot separation between commercial and residential uses?
  - Will the proposed development's 18-foot sidewall height be adequately mitigated with a 10-foot setback? Should a height restriction or similarly-mitigating actions be imposed as a condition?

The variance request is based upon demonstrable and exceptional hardship, as distinguished from purposes of convenience, profit, or caprice.
  - Does forcing the applicant to develop within the property's buildable width – 60 feet total, if strict enforcement of zoning setbacks is applied – prevent the construction of a standard and contemporary commercial structure/use?
  - Could the applicant modify the layout, scale down the showroom/shop, or reduce the building width while still running a viable business?

- The requested variance is not related to use and would therefore prevent an expressly-prohibited or unpermitted use from being established in the zoning district.
  - Would the request allow a use that is specifically prohibited and/or not allowed by permitted use or conditional use?
- The condition or situation creating the hardship is not so general or recurring in nature as to make reasonably practicable through the formulation of a general regulation to be adopted as an amendment to this code.
  - Does the requested variance relieve and/or solve a hardship that is a result of unique circumstances related specifically to the subject property, its topography, how it was created, and/or other aspects of its history? Is the appropriate remedy an individual variance approved for this property, or should it be resolved through amendment of the zoning code?

**HEARING PROCEDURE & FINAL ACTION**

Should the board elect to act on this request, the following procedures must be followed:

1. *Legal Notice and Public Hearing*

   Confirm that proper notice was advertised in a paper of general circulation in the community at least ten days prior to the hearing, and that reasonable efforts were made to mail notice to all property owners of record adjacent to the subject property. Any individuals present at the hearing should be given an opportunity to provide comment to the board, within reasonable time restraints. (Public hearing was properly conducted at the original July 21st hearing; no further hearing is required, but can be opened again at the discretion of the Board's chairperson.) All board discussion – including conversations with the applicant and other affected parties – should occur at the meeting and logged into the record.

2. *Discuss and Adopt Findings of Fact*

   To support any action that would grant approval of the variance request, explicit agreed-upon findings of fact – backed by evidence presented in the public record and consistent with the criteria listed in Section 1.g.iv – must be made to support any action approving the variance. Staff can assist with wording these findings, however, the board is ultimately responsible for officially adopting them.

3. *Vote to Approve, Deny, Table, or Not Act*

   - *If granted, determine if conditions will be applied to the approval and specifically direct staff to attach those conditions.*

   The final decision of the board must be entered into the official minutes of the meeting. Written notice of the final decision shall be provided to the applicant, which can be drafted by staff and signed by the board's chair (aka Council President).

4. *Appeal Considerations*

   Any party aggrieved by the board's final decision has statutory right to appeal the decision to district court.

gWorks


July 8, 2026

DISCLAIMER: This map is not intended for conveyances, nor is it a legal survey. The information is presented on a best-efforts basis, and should not be relied upon for making financial, survey, legal or other commitments.

Legend

Parcels

1:1,384

0 0.01 0.02 0.04 mi

0 0.0175 0.035 0.07 km

**ATTACHMENT 1**

Saunders County
gWorks.

PAID
JUL 06 2026
$300 V# 2059
CITY OF YUTAN

**510 1st St, Contractor Bay**

**RE: Request for Variance – Side Yard Setback**

Dear Robert Costa,

I respectfully submit this request for a variance to reduce the required side yard setback adjacent to the neighboring residential property from twenty-five (25) feet to ten (10) feet for the proposed Thompson Building II commercial development in Yutan.

The property is zoned Commercial, and the proposed building is intended to be used as a warehouse/ commercial shop, which is consistent with the intended use of the zoning district. The requested variance is necessary to allow construction of a building that is appropriately sized and functional for its intended commercial purpose. Requiring the full twenty-five-foot setback would substantially reduce the available building area and limit the reasonable development of a property that is otherwise designated for commercial use. The conceptual site plan reflects the proposed building layout and requested setback.

This request is not intended to eliminate the setback requirement but rather to seek a reasonable compromise. While the zoning code requires a twenty-five-foot setback when adjoining residential property, the proposed ten-foot setback still provides a meaningful buffer between the commercial building and the neighboring residence while allowing practical use of the property. The zoning code also recognizes that commercial buildings may be constructed much closer to adjoining commercial properties, demonstrating that maximizing the buildable area is consistent with the character of the commercial district.

I believe this request satisfies the intent of the variance provisions because:

- The request is the minimum necessary to allow reasonable development of the commercially zoned property.
- Granting the variance will not adversely affect public health, safety, or welfare.
- The proposed building will remain compatible with surrounding development and the character of the area.
- The variance will not create additional traffic concerns, drainage issues, or interfere with neighboring properties.
- Denial of the variance would unnecessarily restrict the reasonable use of a commercially zoned parcel while providing little additional benefit beyond the proposed ten-foot buffer.

As a local business owner and property owner in Yutan, I am committed to developing this property in a manner that enhances the community and reflects positively on the City's commercial growth. My goal is to construct a quality building that complements the surrounding area while remaining respectful of the adjacent residential property.

Thank you for your consideration of this request. I appreciate your time and would be happy to answer any questions or provide any additional information the Board may require.

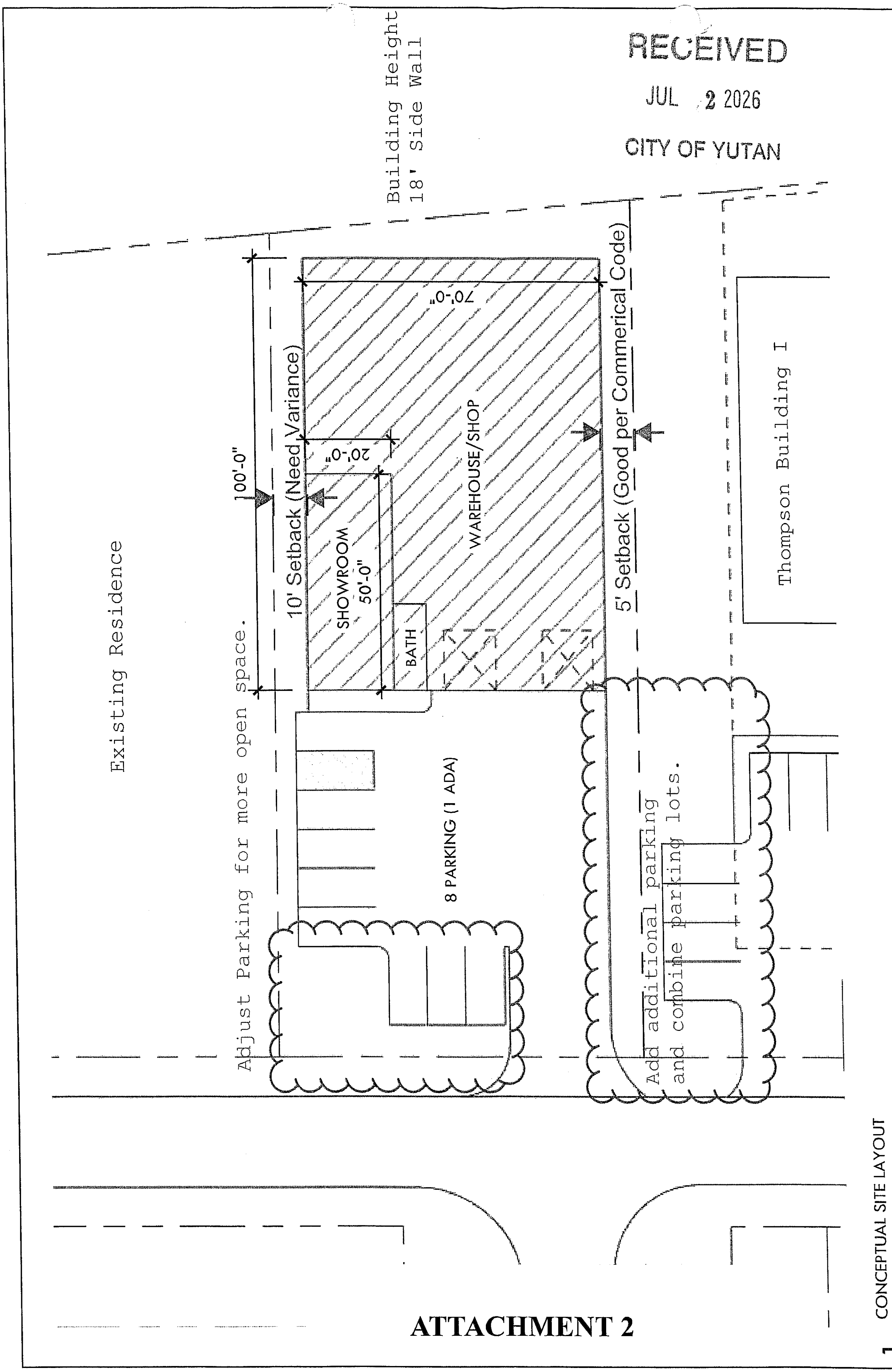
Respectfully,

Jake Thompson
Thompson & Sons, LLC

RECEIVED
JUL 2 2026
CITY OF YUTAN

**ATTACHMENT 2**

RECEIVED
JUL 2 2026
CITY OF YUTAN

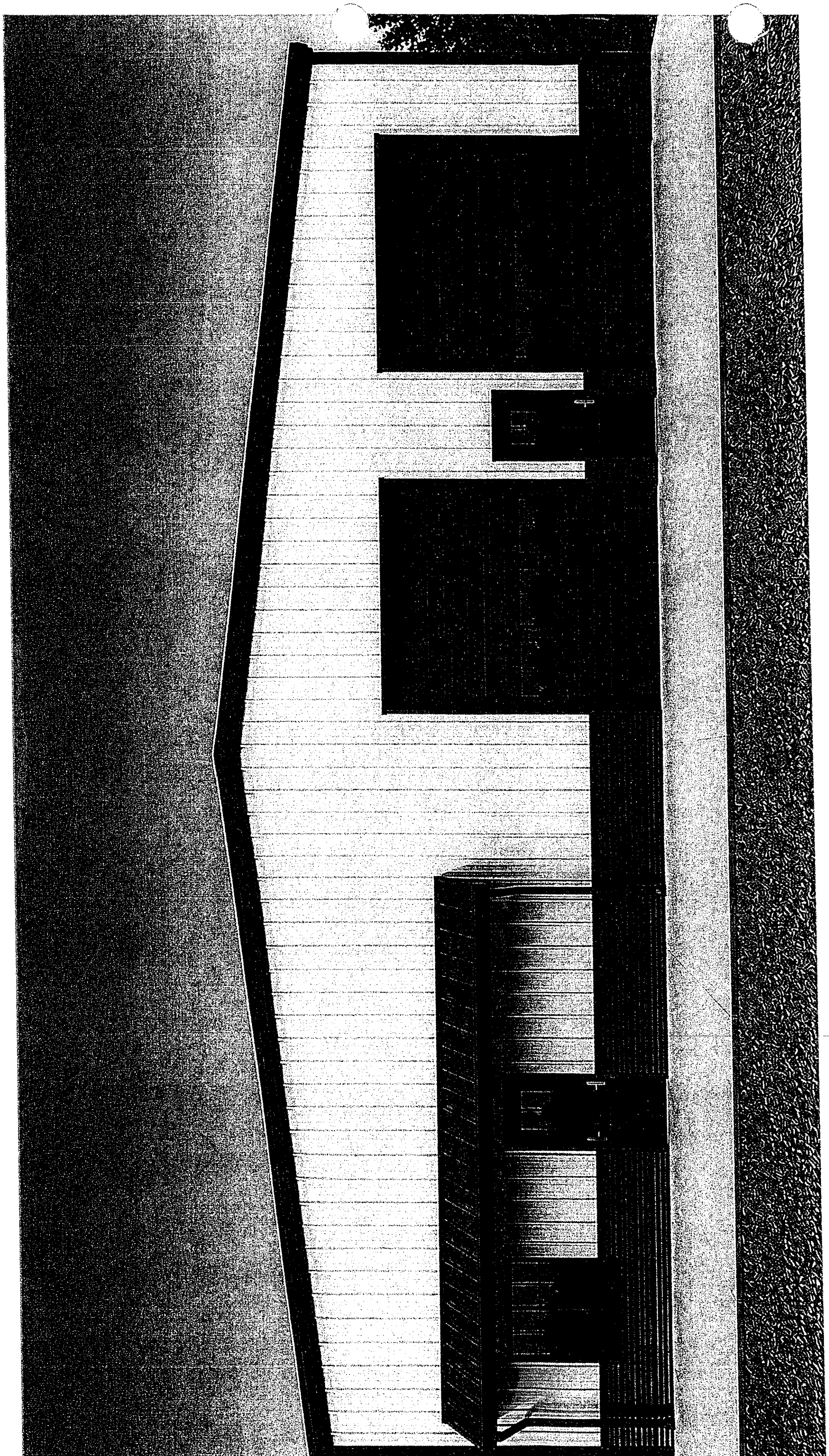



BRIDGEWATER
CONSULTING
2041 S 18th Street
Lincoln - NE - 68502
Ph: 402 - 890 - 4166
bridgewaterconsultingNE.com

THOMPSON BUILDING II
YUTAN, NE

DATE: 5/12/2026
PROJECT: 2025-1920SS
SHEET 1/1

ATTACHMENT 2



ATTACHMENT 2

# Saunders County gWorks


July 14, 2026

DISCLAIMER: This map is not intended for conveyances, nor is it a legal survey. The information is presented on a best-efforts basis, and should not be relied upon for making financial, survey, legal or other commitments.

1:2,704

0 0.0225 0.045 0.09 mi

0 0.035 0.07 0.14 km

Legend

- Highway_Corridor

**County Zoning**

- Agricultural
- Transitional Agricultural
- Lakeside Residential
- Residential Estates
- Residential
- Historic Sites
- Commercial
- Light Industrial
- General Industrial
- Planned Development
- Lake Wanahoo Conservation Overlay
- Mobile Home Residential
- Extraterritorial Jurisdiction

**ATTACHMENT 3**

**Date:** July 20, 2026

**To:** The Yutan City Council Convening as the Zoning Board of Adjustment
**Regarding:** Written Opposition to the Setback Variance for Thompson Building II
**Submitted By:** Toby and Melisa Davis Homeowners at 506 1st Street, Yutan, NE

To the Members of the Council,

As lifelong residents of the community who have maintained our home for 28 years, we are writing to you regarding the variance request to reduce the required side yard setback from 25 feet to 10 feet for Thompson Building II.

We fully support local business development and genuinely appreciate everything the Thompson's have done to clean up, invest in, and revitalize Yutan. We are entirely in favor of our town's growth. However, we ask the Council to maintain the protective boundaries established by our city zoning laws for the following objective reasons:

**1. Demonstrated Safety Concerns**
A few months ago, a severe fire destroyed the previous structure on this exact parcel, directly breaching our property line (**as shown in the 4 attached photos**). Since we have experienced this hazard firsthand, fire separation is a vital concern for us. Reducing the legally mandated 25-foot safety buffer to just 10 feet creates an unnecessary risk to our adjacent home and limits essential emergency vehicle clearance.

**2. Integrity of the New Zoning Code**
At the beginning of the year, the city passed a comprehensive zoning update under **Ordinance #816.** The 25-foot setback was intentionally kept as a mandatory buffer to protect residential homes from commercial structures. Granting an extreme 15-foot variance on an open lot undermines the integrity of the Council's recently updated code.

**3. Statutory Land Hardship Guidelines Under Nebraska Law**
Under Nebraska Revised Statute § 19-910, a variance requires an unavoidable physical hardship unique to the land itself. Since the neighboring building and adjacent vacant land are also under Thompson ownership, practical layout alternatives exist to design a code-compliant structure. Utilizing these options allows for the successful development of the lot while fully respecting Yutan's 25-foot residential buffer.

**Requested Protections and Structural Conditions**
We respectfully ask the Council to maintain the 25-foot setback. If the Council ultimately determines that a 10-foot variance is necessary for the town's growth, we kindly ask that the final approval include the following protective conditions:

- **Mechanical Placement and Home Office Protection:** A restriction keeping large commercial HVAC units, exhaust fans, or dumpsters away from the 10-foot strip directly facing our home. This buffer is critical to prevent noise disruptions on days my wife works from home while she is conducting professional meetings and training sessions, as well as during her evening work hours.

- **Commercial Light Shielding**: A requirement that all exterior commercial lighting, floodlights, or security lights face downward and feature full-cutoff shields. This is necessary to prevent light spill and glare from directly shining into our residential windows and backyard, as well as into the homes of neighboring residents across the street.

- **Engineered Drainage Review:** A requirement that the city engineer formally reviews and approves a commercial drainage plan to guarantee that all stormwater runoff from the massive new roof is safely channeled completely away from our yard and property line.

**In Conclusion**

While we completely acknowledge and respect the recent commercial transitions taking place in Yutan, including our neighborhood. Immediate surroundings have long been defined by our home and established neighbors. Constructing another massive commercial building only 10 feet from our windows drastically alters the character and quiet enjoyment of the place we have spent nearly three decades maintaining. We want to support the town's expansion, but we simply wish to live our lives, protect our livelihood, and ensure our home remains a safe place to live.

Thank you for your time, your continued dedication to guiding Yutan's growth, and your consideration of our home and family.

Sincerely,

Toby and Melisa Davis
402-570-1974

**Business Items: Local Option Sales Tax & Highway 92 Annexation**

- **A. Presentation and Review of Public Feedback**
  - Review of digital survey data (collected July 9 – July 21, 2026) and in-person commentary from recent public open houses.
  - Discussion of public sentiment regarding the 1.5% sales tax and Highway 92 annexation.
  - Review of identified top community priorities (Public Safety, Water/Sewer/Trash Services, and Traffic/Road Maintenance).
- **B. Discussion and Possible Action: Adjusting Sales Tax Revenue Allocation**
  - Revisiting the initially proposed 70% property tax relief / 30% infrastructure split.
  - Consideration of formal revisions to the allocation (e.g., a 50/50 or 40/60 split favoring infrastructure and public safety) to align with public survey feedback.
- **C. Discussion and Possible Action: Finalizing Binding Ballot Language**
  - Addressing public concerns regarding vague or "potential" property tax relief.
  - Drafting definitive, mathematically guaranteed ballot language for tax levy reductions to provide financial certainty to voters.
- **D. Discussion: Procedural Structuring of the Annexation Ordinance**
  - Establishing the legislative link between the annexation and the sales tax initiative.
  - Drafting the annexation ordinance to explicitly take effect contingent upon the passage of the 1.5% sales tax.
  - Reviewing the financial risks of proceeding with annexation without sales tax revenue (e.g., assumption of potential SID bond debt and infrastructure retrofitting costs).
- **E. Discussion: Public Informational Outreach Strategy**
  - Reviewing the requirements of the Nebraska Political Accountability and Disclosure Act regarding ballot advocacy.

    - Approving the distribution of a strictly neutral, factual FAQ sheet detailing "destination-based" online sales tax collection, motor vehicle tax procedures (Form 6), and utility exemptions.
- **F. Review of Statutory Deadlines and Implementation Timeline**
    - **Mid-August:** Finalizing the adoption of the Sales Tax Resolution.
    - **September 1, 2026:** Statutory deadline to file the certified resolution with the County Election Commissioner/Clerk.
    - **September/October 2026:** Mailing statutory annexation notices to affected Highway 92 property owners.
    - **Late October 2026:** Scheduling the mandatory three readings of the Annexation Ordinance.

**MEMORANDUM**

**TO:** The Yutan City Council

**FROM:** City Administration / Strategic Planning

**DATE:** August 3, 2026

**SUBJECT:** Post-Forum Recommendations & Next Steps for Sales Tax and Annexation

Based on the digital survey feedback collected from respondents between July 9 and July 21, 2026, along with the in-person commentary received at the public open houses, Yutan is facing a distinct informational and strategic challenge.

While a majority of respondents (52%) support the strategic annexation of the Highway 92 corridor, nearly 60% oppose the 1.5% local option sales tax required to fund it. Because it poses significant financial risks to pursue annexation without the sales tax revenue (due to the risk of assuming SID debt and infrastructure retrofitting costs), the City Council must urgently adjust its policy framework and informational outreach ahead of the September ballot filing deadlines.

*Crucially, as we move closer to the election, all city actions must strictly comply with the Nebraska Political Accountability and Disclosure Act, ensuring public resources are used only for objective education, not ballot advocacy.*

## I. Strategic Recommendations

**1. Adjust the Revenue Allocation (The Pivot)** The initial proposal suggested a 70/30 split (70% property tax relief / 30% infrastructure). However, in-person feedback strongly suggested lowering the property tax relief portion in favor of more infrastructure funding. This directly aligns with the digital survey data, which showed that residents' top municipal priorities are Public Safety, City Services (Water/Sewer/Trash), and Traffic/Road Maintenance.

- **Recommendation:** The Council should formally revise the resolution to a 50/50 split or a 40/60 split (favoring infrastructure/public safety). This proves you are listening to the public and directly funding the services they care about most via a legislative policy change.

**2. Eliminate the Word "Potential"** Survey respondents expressed high skepticism regarding vague promises of "potential" property tax relief. One resident explicitly stated they hated the phrase and wanted a clear budget before agreeing to a tax.

- **Recommendation:** Stop using the word "potential." The Council should pass a binding resolution or present a hard, guaranteed mathematical commitment (e.g., "If the sales tax passes, the city levy will be reduced by exactly X cents"). Turn the theory into a financial guarantee.

**3. Address the "Local Business" Fear (Through Neutral Education)** Multiple respondents expressed fear that a 1.5% sales tax would drive shoppers away to Omaha, harming local Yutan businesses.

- **Recommendation:** The city must launch a brief, strictly neutral educational push. Publish a factual FAQ highlighting that under state law, the sales tax applies to "destination-based" online deliveries from major retailers (like Amazon) shipped into Yutan, as well as out-of-town vehicle purchases. *Note: Any persuasive messaging arguing that this tax is the "only way to shield local residents" from Omaha's westward expansion must be left to private citizens or a privately funded Ballot Question Committee. The city must stick only to objective facts regarding how the tax is collected.*

**4. Procedurally Link the Two Initiatives** The public currently sees the sales tax and the annexation as two separate menu items.

- **Recommendation:** The legislative reality must be firmly established and neutrally communicated. The Council should explicitly structure the Annexation Ordinance so that its enactment is contingent upon the passage of the sales tax. The city can then objectively inform the public of this procedural link: if the sales tax fails, the annexation is paused to protect the city from inheriting outside SID debt.

## II. Critical Deadlines & Timeline

Because state law requires strict deadlines for ballot inclusion and annexation procedures, the Council must move swiftly.

**August 2026: Finalizing the Measure**

- **Mid-August:** The City Council must vote to adopt the final resolution for the Local Option Sales Tax. This resolution must outline the exact revised percentage allocation (e.g., 50% property tax relief / 50% infrastructure) and establish the ballot language.

**September 2026: Ballot Filing & Annexation Notices**

- **September 1, 2026 (Approximate):** The statutory deadline to file a certified copy of the sales tax resolution with the county election commissioner/county clerk to ensure it is placed on the November 3 general election ballot. (By law, this is typically 50 days before the election, though the absolute final deadline for the Secretary of State to certify issues is September 11).
- **Late September / Early October:** If the Council wishes to run the annexation concurrently, the first set of written notices must be mailed to property owners in the Highway 92 corridor, detailing the map and the date of the Planning Commission's public hearing.

**October 2026: Final Public Hearings & Voter Registration**

- **Mid-October:** The second statutory annexation notice must be mailed to Highway 92 property owners at least ten (10) working days prior to the City Council's public hearing.
- **October 16, 2026:** Deadline for online/mail-in voter registration.
- **October 23, 2026:** Deadline for in-person voter registration.
- **Late October:** The City Council holds the mandatory three readings of the Annexation Ordinance (which can be scheduled to officially take effect contingent upon the passage of the sales tax).

**November 2026 & Beyond: Election and Implementation**

- **November 3, 2026:** General Election Day. Yutan residents vote on the local option sales tax.
- **April 1, 2027:** If approved by a simple majority, this is the earliest practical implementation date for the Nebraska Department of Revenue to begin administration and collection of the new tax at the start of the calendar quarter.

# Survey Overview

The data consists of **33 individual responses** collected between July 9 and July 21, 2026. The vast majority of respondents are locals, with representation from various community stakeholders:

- **Current Yutan Residents:** 30
- **Business Owners (within city limits):** 1
- **Property Owners (Highway 92 corridor):** 1
- **Commuters/Frequent Visitors:** 1

# Sentiment Analysis

The data reveals a stark contrast in public opinion: while the majority of respondents **support the annexation** of the Highway 92 corridor, there is strong **opposition to the 1.5% sales tax**.

## 1. The 1.5% Sales Tax

Public sentiment leans heavily against the implementation of the sales tax, with nearly 60% of respondents expressing opposition.

- **Support / Strongly Support:** 11 responses (33%)
- **Neutral / Undecided:** 3 responses (9%)
- **Oppose / Strongly Oppose:** 19 responses (58%)

**Primary Reasons for Support:**

- Funding for infrastructure improvements.
- Potential reduction in the property tax burden.
- Economic development opportunities.

**Primary Reasons for Opposition:**

- Concerns over the increased cost of living.
- A preference for the city to find alternative revenue sources or cut budget costs.
- A perceived lack of clarity and transparency on exactly how the funds will be used.

## 2. Strategic Annexation of Highway 92

Conversely, the annexation proposal is viewed much more favorably, even among several residents who strongly oppose the sales tax.

- **Support / Strongly Support:** 17 responses (52%)
- **Neutral / Undecided:** 7 responses (21%)
- **Oppose / Strongly Oppose:** 9 responses (27%)

# Key Community Priorities

When asked about what services and areas they prioritize most, respondents consistently highlighted the following municipal sectors (in order of frequency):

1. **Public Safety Coverage**
2. **City Services** (Water, Sewer, and Trash)
3. **Traffic and Road Maintenance**
4. **School District Resources**
5. **Local Business Growth**

# Public Comments & Themes

The open-ended comments provided by respondents highlight a few critical themes the City Council should address moving forward:

- **Skepticism About "Potential" Relief:** There is significant distrust regarding property tax reductions. One resident noted, *"I hate the phrase potential property tax relief. Sales tax revenue... should be pretty straight forward, budgets should be set, I would like an idea of property tax relief before agreeing to another tax."*
- **Fear of Harming Local Business:** Multiple residents expressed concern that a sales tax would drive shoppers away rather than capture revenue. One commenter warned, *"Why would I stick to just Yutan if I can go to Omaha and for the same price and have way more selection... why would people from Omaha come here anymore."*
- **Communication Gaps:** A lack of community awareness is contributing to skepticism. One resident admitted they were entirely unaware of the proposal: *"I'm not sure about the annexation. I do not know anything about it. Didn't know about it tell now. So what does that tell you."*
- **Acknowledging Growth:** Even among opponents of the tax, there is an acknowledgment that Yutan is changing. Comments like *"Omaha is coming west….. make choices with that in mind"* and *"Hwy 92 needed to be done 30 years ago"* show that residents recognize the need for future-proofing, even if they disagree on the funding mechanism.

**Suggested Motion:**

*"I move to direct City Legal Counsel to draft a formal resolution for presentation and final adoption at the August 18, 2026, City Council meeting, to submit a 1.5% Local Option Sales Tax initiative to the voters on the November 3, 2026, general election ballot.*

*I further move that the drafted resolution incorporate the feedback from our public forums by: (1) setting the revenue allocation to a* ***[Insert chosen split, e.g., 50/50]*** *split between direct property tax relief and a dedicated infrastructure and public safety sinking fund; and (2) utilizing binding, guaranteed mathematical language to define the exact property tax levy reduction.*

*Finally, counsel is directed to prepare the corresponding Highway 92 annexation ordinance so that its effective date is legally contingent upon the successful voter passage of this sales tax initiative."*

**MEMORANDUM: 2026–2027 Revenue Projection Methodology**

**To:** City Council / Mayor

**From:** City Administrator

**Date:** August 2026

**Subject:** Methodology and Assumptions for 2026–2027 Revenue Projections

**Executive Summary**

This document outlines the formulas, baseline data, and strategic assumptions used to build the final comparative revenue models for the 2026 Year-End Projections and the 2027 Estimated Budgets.

**1. 2026 Year-End Projections (The Baseline)**

To determine where the city is realistically expected to finish the 2026 fiscal year, we utilized the actual Year-To-Date (YTD) revenue collected through the first 10 months (as of August 31, 2026).

- **Annualization Formula:** The 10-month YTD actuals were divided by 10 to find the average monthly collection rate, which was then multiplied by 12 to project the full year.
- **Property Tax Assumption:** The 2026 General Fund property tax projection was calculated by taking the original budgeted amount ($311,726.40) and applying a **3% delinquency rate** to reflect realistic cash collections.

**2. 2027 Enterprise Fund Adjustments (Water & Sewer)**

The 2027 estimates for the Water and Sewer funds depart from the original 2026 budget targets to rely on actual collection trends plus strategic growth.

- **Operational Growth:** A **10% increase** was applied to the annualized 2026 operational revenue base for both funds. (*This is a conservative estimate*)
- **Water Fund Additions:** The newly secured **$18,000 Verizon water tower lease** was added to the Water Fund total.

**3. 2027 Fixed State & County Allocations**

Certain 2027 revenue line items were updated with exact, known distributions rather than relying on previous year-end projections.

- **Equalization Funds (General Fund):** Replaced the 2026 projection with the fixed 2027 expectation of **$141,977.41**.
- **State Highway Allocation (Street Fund):** Replaced the 2026 projection with the fixed 2027 expectation of **$179,558.00**.

**4. 2027 Property Tax Scenarios**

The final variable in the 2027 General Fund model was the property tax request. Two scenarios were modeled based on the 2026 base request ($311,726.40):

- **Scenario A (2.26% Allowable Increase):** Under state property tax formulas, the city is allowed a 2% base growth limit plus an estimated **0.26% increase in valuation** (real growth), resulting in a **2.26% total allowable growth percentage**. This increases the gross property tax request to **$318,771.42**. After applying the standard 3% delinquency rate, the expected usable cash is **$309,208.28**. *(Note: Because this increase matches the state's allowable growth formula, adopting this budget **will not** trigger a Truth in Taxation joint public hearing).*
- **Scenario B (5.26% Maximum Increase):** Increases the gross property tax request to **$328,123.23**. After applying the standard 3% delinquency rate, the expected usable cash is **$318,279.53**. *(Note: Because this request exceeds the 2.26% allowable growth threshold established in Scenario A, it **will** legally trigger a Truth in Taxation joint public hearing, though it maximizes available revenue).*

**1. Public Safety Exemptions**

Under Neb. Rev. Stat. § 13-3404, property taxes that are budgeted for specific, critical purposes—such as public safety services—represent a formal exception to the property tax cap.

- **How it works:** The portion of your budget specifically dedicated to public safety (e.g., police, fire, or emergency dispatch) that is paid for using property taxes can be added to your base Property Tax Request Authority. These specific funds are allowed to increase without being constrained by the strict inflation-based limit.
- **Note:** Only the funds raised via *property taxes* for these services count toward the exception. If you fund a portion of your public safety budget through other revenue streams (like fees or surcharges), those non-tax funds do not qualify for the exemption.

**2. Bonding and Debt Service**

The repayment of approved bonds and debt service payments also falls outside the purview of the new growth limitation cap.

- **How it works:** Levies that are strictly dedicated to servicing voter-approved bonds for capital projects are generally exempt from the general rate limits. This ensures that local governments like the City of Yutan can levy the necessary additional property taxes to repay their bond obligations without those funds eating into their operational cap limit.

**Other Notable Exemptions**

In addition to public safety and bond repayments, Nebraska law also generally allows exceptions to the levy limits for:

- Responses to formal emergencies or emergency appropriations.
- Fulfilling state mandates.
- Additional increases that have been explicitly approved by the voters.
- The use of unused taxing authority carried over from prior years.

**1. The Interlocal Agreement Allowance (+0.05)**

While the base operational cap is 45 cents, the state allows cities and villages to levy an **additional 5 cents** (up to $0.50 total) specifically to finance the city's share of revenue required for agreements executed under the Interlocal Cooperation Act or the Joint Public Agency Act. If the City of Yutan partners with Saunders County, the local school district, or another municipality for shared services, this extra 5 cents can be utilized.

**2. Exemptions from the 45-Cent Limit**

The 45-cent maximum applies strictly to your general operational levy. Just like the exemptions for the inflation growth cap we discussed earlier, certain property tax requests are entirely excluded from this 45-cent limit, meaning your *total* levy could legally exceed 0.45. The primary exemption is **Bonded Debt**. Taxes levied to pay the principal and interest on voter-approved bonds (like the Yutan Sewer & Water Bond mentioned in your certification document) are not subject to the 45-cent maximum levy limitation.

**3. Voter Overrides**

If a city determines that the 45-cent (or 50-cent) limit provides insufficient revenue for operations, the city council can place a measure on the ballot. If approved by a majority of the voters, the city is allowed to exceed the statutory maximum levy limit for a period of up to five years.

**Summary for your 2026 - 2027 Budgeting:** The baseline operational levy cannot exceed **0.450000**, but if you have interlocal agreements, you can push that operational rate to **0.500000**. Any levy specifically designated to pay off approved bonds is layered on top of that and does not count toward your 45-cent cap.

**2025 Total Taxable Value:** $106,287,154

**Valuation per $100:** $1,062,871.54

**Certified Levy Rate:** $0.293287

**Total Property Tax Levied: $311,726.42** (Calculated as $1,062,871.54 multiplied by 0.293287)

| Fund / Department | 2026 Budgeted Revenue | 2026 Projected (Year-End) | 2027 Est. (2.26% Prop Tax) | 2027 Est. (5.26% Prop Tax) |
|---|---|---|---|---|
| General Fund (Dept 10-10) | $591,346.40 | $578,199.18 | $593,774.98 | $602,846.41 |
| Police (Dept 10-11) | $31,500.00 | $27,840.00 | $27,840.00 | $27,840.00 |
| Library (Dept 10-12) | $2,230.00 | $2,419.54 | $2,419.54 | $2,419.54 |
| Parks (Dept 10-13) | $1,500.00 | $2,911.20 | $2,911.20 | $2,911.20 |
| Street Fund (Dept 10-14) | $209,555.00 | $213,718.44 | $215,295.22 | $215,295.22 |
| Grants (Dept 10-15) | $0.00 | $1,380.00 | $1,380.00 | $1,380.00 |
| Water Fund (Dept 20-20) | $283,000.00 | $244,230.73 | $286,653.80 | $286,653.80 |
| Sewer Fund (Dept 20-21) | $294,000.00 | $215,771.70 | $249,348.87 | $249,348.87 |
| Bond / Debt Service (Dept 30-30) | $19,137.00 | $23,012.34 | $23,012.34 | $23,012.34 |
| Keno Fund (Dept 40-40) | $52,000.00 | $72,584.47 | $72,584.47 | $72,584.47 |
| **TOTAL CITY REVENUE** | **$1,484,268.40** | **$1,382,067.60** | **$1,475,220.42** | **$1,484,291.85** |